GOVERNMENT OF INDIA
RURAL DEVELOPMENT
LOK SABHA

STARRED QUESTION NO:591
ANSWERED ON:07.05.2002
FUNDS TO PANCHAYATS FROM NON-BUDGETARY RESOURCES
SHYAMA SINGH

Will the Minister of RURAL DEVELOPMENT be pleased to state:

(a) whether the funds allocated by the Union Government for Panchayats are not reaching them within the stipulated time as the State Governments are not properly utilising these funds;

(b) if so, the facts in this regard;

(c) whether the Government have been urged to devise innovative ways to make non-budgetary resources available to Panchayats; and

(d) if so, the reaction of the Union Government thereto?

Answer

MINISTER OF STATE IN THE MINISTRY OF RURAL DEVELOPMENT (SHRI ANNASAHEB M.K. PATIL)

(a) to (d): A Statement is laid on the Table of the House.

Statement referred to in Reply to the Lok Sabha Starred Question No. 591 due for reply on 7th May, 2002.

The Union Government provides funds to Panchayats under the Sampoorna Gramin Rozgar Yojana (SGRY) and also under the Eleventh Finance Commission (EFC) Grants. While funds under the SGRY are released to the Panchayats through District Panchayats or District Rural Development Agencies (DRDAs), the EFC grants are released to Panchayats through the State Governments. Funds under these Schemes/Programmes are being released on completion of certain prescribed conditions.

The State Governments and UT Administrations have devolved powers to Panchayats in varying degrees to mobilize local resources through taxes, duties and tolls. A Task Force (constituted in July, 2001) on devolution of powers and functions upon Panchayati Raj Institutions, inter-alia, recommended that the State Governments should endow the Panchayats with necessary powers for mobilization of local resources. The State Governments have been advised by the Ministry of Rural Development that in order to enhance financial resources, Panchayati Raj Institutions may be authorized to levy, collect and appropriate taxes, duties, tolls and user charges by amending the existing State Laws.